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09/359,083	07/22/1999	VIRGIL M. DAVIS	VISAP016	2317

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Beyer Law Group LLP/Visa  
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Cupertino, CA 95015-1687

EXAMINER
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ABDI, KAMBIZ

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UNITED STATES PATENT AND TRADEMARK OFFICE

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BEFORE THE BOARD OF PATENT APPEALS  
AND INTERFERENCES

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*Ex parte* VIRGIL M. DAVIS, SUZANNE C. CUTINO  
MARGARET REID, and STEVE R. HOFFMAN

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Appeal 2010-009544  
Application 09/359,083  
Technology Center 3600

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Before HUBERT C. LORIN, JEAN R. HOMERE, and BIBHU R.  
MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL<sup>1</sup>

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<sup>1</sup> The two-month time period for filing an appeal or commencing a civil action, as recited in 37 C.F.R. § 1.304, or for filing a request for rehearing, as recited in 37 C.F.R. § 41.52, begins to run from the “MAIL DATE” (paper delivery mode) or the “NOTIFICATION DATE” (electronic delivery mode) shown on the PTOL-90A cover letter attached to this decision.

## STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 (2002) of the final rejection of claims 1-8 and 34-49 which are all the claims pending in the application. We have jurisdiction under 35 U.S.C. § 6(b) (2002).

## SUMMARY OF THE DECISION

We REVERSE.

## THE INVENTION

The Appellants' claimed invention is directed to a payment and loading system using a computer network (Spec. 1:7-8). Claim 1, reproduced below, is representative of the subject matter of appeal.

1. An on-line purchase and load (OPAL) server computer for performing a purchase transaction over a network using a virtual smart card, said OPAL server computer comprising:
  - a virtual smart card database having a plurality of records, each record including a virtual smart card identifier and a monetary balance corresponding to a single virtual smart card;
  - a hardware security module arranged to decrypt said monetary balance, to decrease said monetary balance, and to encrypt said decreased monetary balance;
  - a smart card emulator that receives smart card commands from a pseudo card reader module and processes said commands in conjunction with said virtual smart card database and said hardware security module, said smart card emulator arranged to retrieve one of said records from said virtual smart card database, and to deliver said monetary balance to said hardware security module and to store said encrypted decreased monetary balance received from said hardware security module in said retrieved record; and
  - said pseudo card reader module that receives said smart card commands related to said purchase transaction over said network and relays said commands to said smart card emulator, whereby said

OPAL server computer performs said purchase transaction over said network using one of said records in said virtual smart card database.

### THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Davis	US 6, 282,522 B1	Aug. 28, 2001
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The following rejections are before us for review:

1. Claims 1-8 and 34-49 are rejected under 35 U.S.C. § 102(e) as anticipated by Davis.

### THE ISSUES

At issue is whether the Appellants have shown that the Examiner erred in making the aforementioned rejections.

This issue turns on whether Davis discloses a “pseudo card reader module” as recited in independent claims 1 and 41.

### FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence:<sup>2</sup>

FF1. Davis has disclosed an internet payment system using a smart card for payment of goods purchased on-line over the Internet. A consumer uses his smart card at the client terminal in order to purchase goods and/or services

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<sup>2</sup> See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

from the remote merchant server. A client terminal emulates a security card in interacting with the smart card (Abstract).

FF2. Davis discloses that client terminal 204 controls interaction to card reader 210 which accepts a smart card 5 which has a stored value application. (Col. 10:50-54).

FF3. Davis discloses that the functionality of the stored-value card 5 may be implemented in software on client terminal 204 and that card 5 may be a “virtual card” (Col. 11:12-14).

FF4. Davis at 4:3-5, 7:6-21, 8:22-24, 10:50-65, 11:12-14, 11:48-57, 14:55-58, and 16:22-38 does not disclose a pseudo card reader module for reading a virtual smart card.

FF5. The Specification describes a pseudo card module 264 as being a software module that performs the functionality of a physical card reader so that emulation of a smart card is transparent to client module 224 (page 19). The pseudo card reader module 264 is shown in Fig. 4.

## ANALYSIS

The Appellants argue that the rejection of claim 1 is improper because Davis discloses only a physical card reader and fails to disclose a “pseudo card reader module” as claimed (Br. 4, Reply Br. 10). The Appellants argue that the “pseudo card reader module is a software application that emulates....a card reader” where instead a “physical card reader is a tangible, physical device that reads a card” (Br. 4).

In contrast, the Examiner has determined that the rejection of record is proper (Ans. 5-6, 12-14). The Examiner has determined that Davis discloses the operation of storing data, receiving, and processing card commands in

order to affect a transaction and that the operations are disclosed as being conducted using either a virtual card or a physical card (Ans. 13).

We agree with the Appellants. A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631 (Fed. Cir. 1987). Claim 1 requires in part a “pseudo card reader module” and support for this feature is found in the Specification at page 19 and Fig. 4 (FF5). Davis does disclose that a card reader 210 accepts a smart card 5 (FF2) but there is no specific citation made in the rejection to show “a pseudo card reader module” for reading virtual smart cards. While Davis does disclose that the system may be used with virtual smart cards (FF3) there is no specific express disclosure for a “pseudo card reader module” in the portions of Davis cited in the rejection (FF4). Davis also does not provide any disclosure that a “pseudo card reader module” would be inherently used and the system could possibly function with another element. “To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.” *In re Robertson*, 169 F.3d 743, 745 (Fed. Cir. 1999) (citations omitted) (internal quotation marks omitted). For these reasons the rejection of claim 1 and its dependent claims is not sustained. Claim 41 contains a similar limitation for the “pseudo card reader module” and the rejection of this claim and its dependent claims is not sustained for these same reasons.

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### CONCLUSIONS OF LAW

We conclude that Appellants have shown that the Examiner erred in rejecting claims 1-8 and 34-49 under 35 U.S.C. § 102(e) as anticipated by Davis.

### DECISION

The Examiner's rejection of claims 1-8 and 34-49 is reversed.

### REVERSED

MP

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